

Message Text

UNCLASSIFIED

PAGE 01 PARIS 17393 01 OF 03 132014Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-07 EA-09 FRB-01 INR-07 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 OMB-01
PA-02 PRS-01 H-02 L-03 /106 W
-----132106Z 053263 /70

R 131842Z JUN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4076
INFO USDA/WASHDC
ALL OECD CAPITALS
AMEMBASSY BELGRADE
USMISSION GENEVA

UNCLAS SECTION 01 OF 03 PARIS 17393

USOECD

USEEC

PASS: USDA FOR SORENSON, WITCHER AND SIMPSON, FAS

E.O. 11652: N/A
TAGS: EAGR OECD
SUBJ: JOINT WORKING PARTY OF AGRICULTURE AND
TRADECOMMITTEES 57TH SESSION, MAY 25-27, 1977

1. SUMMARY. OFFICERS REELECTED. EC'S NEW SYSTEM
OF IMPORTS OF BEEF AND VEAL DISCUSSED AT REQUEST OF
AUSTRALIA AND NEW ZEALAND. IN LIGHT OF ABNORMAL
SITUATION, 1977 IMPORTS (VIRTUALLY ALL UNDER SPECIAL
PROGRAMS) PROBABLY 200-250 THOUS.T. FINNISH, CANADIAN
AND U.S. PAPERS ON MARKET INSTABILITY THOROUGHLY
DISCUSSED. SUBSTANCE OF U.S. PAPER - LINKAGE OF
INSTABILITY OF GRAIN AND LIVESTOCK MARKETS WITH PROTEIN
FEED SECTOR - NOT CHALLENGED. DISCUSSION OF SECRE-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 17393 01 OF 03 132014Z

TARIAT'S THREEPAPERS AND OF SCHNITTKER DRAFT, ALL
ON MARKET INSTABILITY, SUFFERED FROM UNFAMILIARITY
OF DEL'S WITH VOLUMINOUS TEXTS WHICH HAD NOT BEEN
DISTRIBUTED SUFFICIENTLY AHEAD OF TIME. DISCUSSION
OF REVISED TEXTS TO RESUME SEP. 12-16. SECRETARIAT
REPORTED ON PREP. MEETING OF WORLD FOOD COUNCIL AND
U.S. DEL DISTRIBUTED BERGLAND LETTER TO COUNCIL

DELEGATES. END SUMMARY.

2. AGENDA ADOPTED (AGR/TC/WP/A(77)1). SHEPHERD (N.Z.) REELECTED CHMN, DETRAUX (BELGIUM) V.CHMN.

3. AT THE REQUEST OF AUSTRALIA, WHICH WAS JOINED BY NEW ZEALAND, THE EC'S NEW SYSTEM OF IMPORTS OF BEEF AND VEAL (TC(77)2/CEE, AGR(77)4/CEE, 4-29-77) WAS DISCUSSED. (COMMENT: THIS REQUEST PARALLELED THE TWO COUNTRIES' CONSULTATIONS WITH U.S., CANADA AND JAPAN ON MEAT QUOTA ACTIONS DURING DEC. 8-10, 1976 SESSION.) AUSTRALIA (HALL) AND N.Z. (LEE) CRITICIZED RESTRICTIVE NATURE OF NEW EC BEEF IMPORT REGULATION. THEY THOUGHT EC MIGHT IMPORT A "NORMAL" AMOUNT OF 400-500 THOUS. M.T. BUT NOW IT LOOKED LIKE MUCH LESS. MEASURE STABILIZES DOMESTIC EC MARKET WHILE UNSTABILIZING OUTSIDE ECONOMIES. REFERENCE TO 75,000 T. "FREE IMPORT QUOTA" FOR PROCESSING PLUS AN ADDITIONAL UNSPECIFIED 40-45 THOUS. T. EC REP. (ORIGER) ENUMERATED SPECIAL IMPORT PROGRAMS (50,000 T. GATT, 30,000 T. ACP, 50,000 HEAD YOUNG ANIMALS AND 30,000 HEAD FROM ALPINE COUNTRIES) AND SAID IMPORTS MIGHT THUS NOT BE FAR FROM 400,000 T.; BUT LATER, UNDER QUESTIONING, HE REDUCED HIS ESTIMATE TO 200-250 THOUS. T. PROJECTIONS FOR PRESENT SEASON MADE A YEAR AGO WERE OPTIMISTIC; NOW MARKET PRICE WAS ONLY 86 PCT. OF GUIDE PRICE. ORIGER GENERALLY TOOK A LEGALISTIC APPROACH ARGUING THAT EC HAD NOT VIOLATED ANY COMMITMENT. AUSTRALIAN AND N.Z. DEL'S'
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PARIS 17393 01 OF 03 132014Z

INTERVENTIONS, BY CONTRAST, WERE BASED ON ECONOMICS. WHEN SUBJECTIVITY AND WEEKLY VARIABILITY OF LEVY WAS PROBED, EC DEL READILY ADMITTED THE LATTER BUT CONTENDED THAT LEVY CALCULATION WAS NOT SUBJECTIVE. AS TO AVAILABILITY OF IMPORT DATA BY TYPE OF SPECIAL IMPORT PROGRAM DURING COURSE OF YEAR, HE SAID SUCH DATA AVAILABLE ONLY AFTER END OF YEAR.

4. DISCUSSION OF "MARKET INSTABILITY" MAY 25, P.M. TO MAY 27, MID-DAY, STARTED WITH FINNISH PAPER, AGR/TC/WP(77)6. PAPER FEATURES RECENT FINNISH POLICY GOAL OF RESTRICTING PRODUCTION TO SELF-SUFFICIENCY LEVEL WITH SOME PROVISION FOR STORING SURPLUSES AS A CONTRIBUTION TO MARKET STABILITY.

IN LIGHT OF SPECIFICS OF FINNISH POLITICAL AND HISTORICAL SITUATION (SUBSIDIZED EXPORTS IN PAST), IT SEEMED UNWISE TO QUESTION THIS POLICY ON PRINCIPLE. HOWEVER, IN ORDER TO EXPRESS SOME DOUBT ABOUT THE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 PARIS 17393 02 OF 03 132028Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-07 EA-09 FRB-01 INR-07 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 OMB-01
PA-02 PRS-01 H-02 L-03 /106 W
-----132107Z 053446 /70

R 131842Z JUN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4077
INFO USDA/WASHDC
ALL OECD CAPITALS
AMEMBASSY BELGRADE
USMISSION GENEVA

UNCLAS SECTION 2 OF 03 PARIS 17393

USOECD

USEEC

DESIRABILITY OF SELF-SUFFICIENCY AS A STABILIZATION
MEASURE, U.S. DEL (HIRSCH) POINTED OUT THAT FINLAND
DID IN FACT NOT AIM AT SELF-SUFFICIENCY IN ALL
PRODUCTS IT COULD PRODUCE AND REFERRED TO SUGAR.

5. CANADIAN PAPER. CANADIAN DEL (ANDERSON) PROVIDED
VERY INFORMATIVE PAPER ON CANADIAN PROGRAMS TO
STABILIZE PRODUCERS' INCOMES THROUGH DEFICIENCY PAY-
MENTS, GOVERNMENT PURCHASES, FLOOR PRICES, THE
INITIAL WHEAT PAYMENT SYSTEM, SUPPLY MANAGEMENT (DAIRY
COMMISSION) AND CROP INSURANCE. REGARDING INITIAL
WHEAT PAYMENTS (TYPICALLY 80-85 PCT. OF TOTAL PAYMENTS)
HE STRESSED THAT GOVERNMENT REIMBURSEMENT OF ANY
EXCESS OF INITIAL PRICE OVER ULTIMATE SELLING PRICE
CAME INTO PLAY ONLY ONCE IN 40 YEARS. HE EXPLAINED
REASONS FOR RESERVATIONS EXPRESSED IN PAPER ABOUT
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 17393 02 OF 03 132028Z

EFFICACY OF INTERNATIONAL COMMODITY AGREEMENTS (EVEN THOUGH CANADA SUPPORTS IN PRINCIPLE A BUFFER STOCK ARRANGEMENT FOR GRAINS). PAPER NOTED ANIMAL FEEDS AND HUMAN FOODS HIGHLY SUBSTITUTABLE AND THAT AGREEMENT ON JUST ONE OR A FEW TYPES AND QUALITIES OF GRAINS COULD HAVE ADVERSE SIDE EFFECTS ON OTHER GRAINS. ALSO, A FUNDAMENTAL QUESTION WAS WHETHER A COMMODITY AGREEMENT COULD BE DESIGNED THAT WOULD NOT INTERFERE TOO MUCH WITH BASIC MARKET FORCES. PAPER ALSO NOTED THAT STABILITY OF INPUT FACTORS MAKES NET INCOME MORE UNSTABLE THAN GROSS INCOME AND THAT INCOME VARIABILITY ADDS TO COST. HE REFERRED TO FACT THAT IN PAST, U.S. AND CANADA HAD CARRIED CONSIDERABLE (WHEAT) RESERVES AT HIGH COST, WOULD PROBABLY BE LESS WILLING TO DO SO IN FUTURE.

6. U.S. DEL (SIMPSON) PRESENTED U.S. PAPER ON INSTABILITY AFFECTING SOYBEANS AND PROTEIN FEEDS IN CONJUNCTION WITH SECRETARIAT'S CHAPTER ON ANIMAL FEEDINGSTUFFS IN MARKET INSTABILITY: PART 1(A), AGR/TC/WP(77)4, PP. 62-94. HE EMPHASIZED LINKAGE OF INSTABILITY OF GRAIN AND LIVESTOCK MARKETS WITH THAT IN PROTEIN FEED SECTOR AND REFERRED TO QUESTIONS RAISED AT LAST (DEC.) MEETING OF JWP. SECRETARIAT FEED SPECIALIST (LENGELLE) ACKNOWLEDGED THAT HIGH GRAIN PRICE STRUCTURE IN WESTERN EUROPE CONTRIBUTES TO INELASTIC NATURE OF DEMAND FOR SOYBEANS BUT INSISTED THAT TECHNICAL FACTORS ARE ALSO RESPONSIBLE. HE CITED HIGHER PROPORTION OF PORK, POULTRY AND DAIRY COW PRODUCTION IN EUROPE WHICH REQUIRES HIGHER PROPORTION OF PROTEIN IN RATIONS, THAN IN U.S. SECTION IN U.S. PAPER ON FUTURES MARKETS PROVED OF CONSIDERABLE VALUE IN RESPONDING TO RECURRING QUESTIONS ABOUT POSSIBLE ROLE OF FUTURES TRADING IN MARKET INSTABILITY. SUBSTANCE OF U.S. PAPER NOT CHALLENGED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 PARIS 17393 02 OF 03 132028Z

7. THE DISCUSSION OF THE SECRETARIAT'S THREE PAPERS ON MARKET INSTABILITY, AGR/TC/WP(77)4, 5 AND 7 (143 PAGES) AND OF THE SCHNITTKER DRAFT PAPER ON THE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 PARIS 17393 03 OF 03 132035Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-07 EA-09 FRB-01 INR-07 NEA-10 NSAE-00 USIA-15
OPIC-06 SP-02 TRSE-00 LAB-04 EPG-02 SIL-01 OMB-01
PA-02 PRS-01 H-02 L-03 /106 W
-----132106Z 053520 /70

R 131842Z JUN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4078
INFO USDA/WASHDC
ALL OECD CAPITALS
AMEMBASSY BELGRADE
USMISSION GENEVA

UNCLAS SECTION 3 OF 03 PARIS 17393

USOECD

USEEC

SAME SUBJECT (39 PAGES) SUFFERED FROM THE DELEGATIONS' INSUFFICIENT FAMILIARITY WITH THOSE DOCUMENTS SINCE THEY HAD BEEN DISTRIBUTED ONLY SHORTLY BEFORE OR DURING THE MEETING. MOREOVER, TIME DID NOT PERMIT DISCUSSION OF CHAPTERS ON CEREALS, MEAT AND DAIRY PRODUCTS IN SECRETARIAT'S PAPERS AND OF DRAFT PREPARED BY SCHNITTKER AND ASSOCIATES, WASHDC, AS CONSULTANTS TO OECD. NUMBER OF PARTS OF AGR/TX/WP(77)4 AND 7 RECEIVED MOST ATTENTION, WITH THE U.S., AUSTRALIAN AND NEW ZEALAND DELS SUGGESTING THAT GREATER ATTENTION BE GIVEN TO THE CAUSES AND IMPLICATIONS OF INSTABILITY ON INTERNATIONAL MARKETS AS OPPOSED TO TECHNIQUES THAT GOVERNMENTS USE IN NATIONAL MARKETS TO COMBAT OR COMPENSATE FOR, INSTABILITY. EUROPEAN DELS ON THE OTHER HAND ATTEMPTED TO WATER DOWN REFERENCES TO POSSIBLE INTERNATIONAL DESTABILIZING EFFECTS OF

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 17393 03 OF 03 132035Z

NATIONAL TRADE POLICIES.

8. AFTER JWP AGREED TO MEET AGAIN SEP. 12-16 TO DISCUSS SECRETARIAT AND SCHNITTKER PAPERS, SECRETARIAT

(VIATTE) SAID "GENERAL INTRODUCTION" WILL BE SUBMITTED BY THAT TIME. CHAPTERS ON CEREALS, MEAT AND DIARY PRODUCTS WILL BE DISCUSSED. PART II (AGR/TC/WP(77)7) AND PERHAPS PORTIONS OF PART 1 WILL BE REVISED FOR DISCUSSION; AVAILABLE MEDIUM-TERM PROSPECTS FOR MEAT AND DIARY PRODUCTS MAY BE WORKED INTO REVISED VERSIONS OF THE MEAT AND DAIRY PRODUCT CHAPTERS. SCHNITTKER'S TREATMENT OF CLIMATIC PROBLEM AND RESERVES AND THE CONCEPT OF BURDEN SHARING TO BE DISCUSSED. U.S. DEL (SIMPSON) SUGGESTED THAT ENERGY SHOULD BE STUDIED ON SUPPLY AND DEMAND SIDE; WORLD GRAIN PRODUCTION MIGHT BE AFFECTED BY IT. CHAIR (SHEPHERD) INVITED WRITTEN COMMENTS TO DOCUMENTATION.

9. SECRETARIAT (DYMCK) REPORTED CRITICALLY ON PREPARATORY MEETING OF WORLD FOOD COUNCIL HELD IN ROME, MAY 9-14 AND U.S. DEL (HIRSCH) DISTRIBUTED COPIES OF SECRETARY GERGLAND'S LETTER TO THE DESIGNATED DELEGATES OF THE COUNCIL MEETING AND SUMMARIZED LETTER. KATZ

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, TRADE, COMMITTEE MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PARIS17393
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770210-1097
Format: TEL
From: PARIS USOECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770663/aaaacder.tel
Line Count: 299
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 55294f7e-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 20-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2175723
Secure: OPEN
Status: NATIVE
Subject: JOINT WORKING PARTY OF AGRICULTURE AND TRADECOMMITTEES 57TH SESSION, MAY 25-27, 1977
TAGS: EAGR, OECD
To: STATE USEEC
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/55294f7e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009